# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3558
ANSWERED ON:27.04.2007
NANDED DISTRICT BANK
Patil Shri Digamber Bapuji

**Will the Minister of FINANCE be pleased to state:**

(a) whether financial conditions of Nanded District Bank is poor;

(b) if so, the details nhereof;

(c) whether the Government has formulated any scheme to provide grant to the said Bank;

(d) if so, the time by which grant is likely to be provided to the said Bank; and

(e) if not, the reasons therefor?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) 8s (b) : Yes, Sir. This Nanded District Central Cooperative Bank`s(DCCB) financial condition is unsatisfactory, as revealed by the recent inspection conducted by NABARD with reference to its financial position as on 31st March 2006. The bank is not complying with th-s provisions of Section 11(1) of Banking Regulation Act, 1949 (AACS). The bank has not been maintaining the minimum Cash Reserve Ratio (CRR) and Statutory liquidity Ratio (SLR) requirement.

(c) to (e) : The Government of Maharashtra has released a sum of 20 crore to the bank on 4 April, 2007 towards Share Capital to be retired in ten years i.e. @ Rs.2.00 crore per year, Further, a revival package for Short Term Co-operative Credit Structure (STCCS) has been approved in consultation with the State Governments- The approved revival package, inter-; alia, includes the wiping out of accumulated losses subject to certain legal and institutional reforms to be initiated by State Governments.The Government of Maharashtra had entered into a Memorandum ofUnderstanding (MoU) with Central Government and NABARO on 13th November2006 for implementation of the package.
The progress so far is i:hat Training of master trainers for special audit is completed in Maharashtra and State/District Level Implementation & Monitoring Committees have been set up to guide and monitor the implementation of the Revival Package.Nanded DCCB and its affiliates are covered under the Revival Package subject.